

LESSON I

INTRODUCTION TO NEGOTIATIONS

Lesson 1

TOPIC: INSTRUCTOR PREPARATION

LESSON PLAN

Ref.	Steps In Presenting The Topic	Instructor Notes
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COURSE LENGTH

Five days (six hours and 30 minutes of classroom time per day)

TARGET AUDIENCE

Federal Contract Specialists (GS-1102) and other Federal personnel who participate in analyzing prices for negotiations under Parts 14 and 15 of the FAR.

PREREQUISITES

Completion of the following courses:

- Introduction to Contracting
- Procurement Planning
- Contracting by Sealed Bidding
- Contracting by Negotiation
- Contract Administration (e.g., Defense Acquisition University course "Contracting 101")
- Cost Analysis and Price Analysis

STUDENT MATERIALS

A Text/Reference and a separate volume of Classroom Materials.

METHODS OF INSTRUCTION

The principle method of instruction is a series of lectures and negotiation exercises which provide the students with an opportunity to develop skill at conducting negotiations. **It is mandatory that every student be given the opportunity to conduct a group negotiation as chief negotiator.**

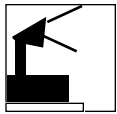
The knowledge necessary to perform these exercises comes from the readings, lecture, interactive discussion, and participation in the negotiation exercises.

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ICONS



Viewgraph (section and page number of corresponding text/reference material appears in the lower left-hand corner of each viewgraph.)



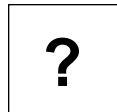
Instructor note of special significance



Use chalkboard/flipchart



Case Study



Question/Answer Sessions

TOPIC: INSTRUCTOR PREPARATION

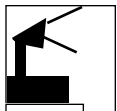
LESSON PLAN

Ref.**Steps In Presenting The Topic****Instructor Notes****PREPARING TO TEACH****a. Plan 40 to 80 hours of preparation.**

To teach this course for the first time, plan 40 to 80 hours of preparation. You will not need this time to research and build your own detailed lecture notes, case studies, or the like. This Instructor Guide is complete with all the instructional materials necessary to deliver the course. Rather, you will need the time to become thoroughly familiar with the Text/Reference and this Instructor Guide.

b. Feel free to annotate and otherwise mark up the Instructor Guide.

You may build your own examples for teaching points. However, do not use examples that contradict the text material or the course learning objectives. Ensure enough time is allotted to cover the course material specified by the learning objectives.

d. Draw on any supplementary materials available to you.**e. Review the attendance roster prior to class to evaluate the makeup of the group (i.e., organization unit, grade level, etc.).****f. Arrange for the necessary training aids:**

- Viewgraphs and overhead projector
- Viewgraph markers
- Flipchart and markers
- Chalk for the chalkboard/markers for whiteboards

**g. Examine the classroom before the students arrive, preferably no later than the day before.**

Make certain there is a table upon which you can place all your materials. Make sure the location of your table and/or podium is visible by all students. Make certain there is sufficient room for you to move easily among the several tables to assist individuals as needed.

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SECURING ROOM ASSIGNMENTS

a. Secure at least two additional rooms besides the classroom for the group negotiations.

These additional rooms are preferable so the classroom doesn't have to be used for the group negotiations.

These additional rooms do not have to be classrooms and could consist of conference rooms or large offices. The rooms should be large enough to seat a minimum of 9 people --the two 4 person negotiation teams plus the instructor.

Since contract negotiations generally take place on government property, the government/Buyer team has the responsibility for determining the room layout or setup. In this regard, the government/Buyer team should have access to the room for at least 5 minutes before the contractor team and prior to the start of the negotiation to set up the room according to their preference.

CONDUCTING THE COURSE

?

a. Stick to the schedule. Move the class along.

Time management is critical. If questions are asked on Monday that pertain to topics to be covered later, defer answering the questions until the subject is covered.

b. At the end of each day, remind the students of the requirement to read the next days case the night before.

EVALUATING YOUR PERFORMANCE AS AN INSTRUCTOR

The following are among the criteria for evaluating your performance:

- Accomplishment of all learning objectives.
- Coverage of all key discussion issues in the case studies.
- Effectiveness in conducting the lectures, negotiation exercises, and discussions.
- Effectiveness in using all Classroom Materials provided to the students.

TOPIC: INTRODUCTION TO COURSE

OBJECTIVE: Introductions

TIME: Monday 8:00 - 8:30 am

METHOD: Lecture

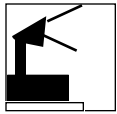
LESSON PLAN

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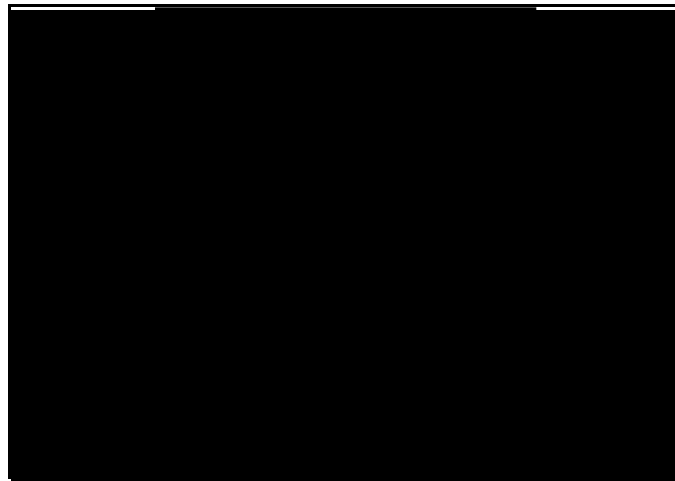
Steps In Presenting The Topic

Instructor Notes

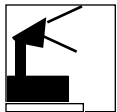
a. Introduce the course.



1-1



Review the course outline. Explain that everybody has the opportunity to be the chief negotiator and negotiate a group case. Explain the importance of "role-playing requirements" and pretending as if a real negotiation was occurring.



1-2

Classroom Negotiations

- Everybody Gets to Negotiate!
- "Used Car" Individual Case
- Group Cases:
 - "Protecto"
 - "Scan"
 - "Coburn-Callaway"
 - "Airmac"
- Importance of Role Playing Requirements



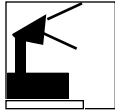
TOPIC: Introduction To Course

LESSON PLAN

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Steps In Presenting The Topic

Instructor Notes

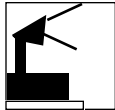


1-3

Negotiation Workshop

- Introduction
- Negotiation Process: Factfinding, Preparation, and Conduct
- Nonverbal Negotiating
- Bargaining Techniques (Rules on What and What Not to Do)
- Negotiation Tactics
- Competitive Discussions
- Post Award Negotiating (Modifications & Terminations)

b. Grading is accomplished in the following manner.



1-4

Grading Policy

- 25 points maximum
- Examination (15 points)
- Participation (10 points) consisting of:
 - Roleplaying requirements
 - Attendance
 - Punctuality
 - Individual case preparation

- A maximum of 25 points can be earned with 15 points needed to get credit for successful completion of the course.
- The examination on the last day of the class consists of 30 multiple choice questions. Each question has a value of .5 (one half) so a student answering all questions correctly would receive 15 points.
- Another 10 points can be earned for class participation. These points are awarded based on the subjective evaluation of the student role-playing. Satisfactory participation earns a student 7 - 8 points. Students exhibiting above average levels of participation receive 9 - 10 points, while below average participation earns 6 points or less.

TOPIC: INTRODUCTION TO COURSE

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Points are also deducted for students who do not take the negotiations seriously and engage in "horseplay" or other forms of inappropriate behavior.

- Participation levels are also determined by role playing during classroom negotiations, attendance, and punctuality. Participation points are deducted when students are absent or tardy for class such as being late in returning from lunch or starting negotiations. Regardless of the reason, a minimum of 5 participation points are deducted whenever a student misses a full day of class, even if the absence is excused.

c. Review syllabus and time table. For homework, students should read the text chapters that will be covered the next day.

d. Introduce yourself and any other key personnel to students.

Determine the experience level of the class by having students introduce themselves, giving name, where they work, what they do, and for how long, and some background on employment in the contracting field.

Have students refer to Appendix C in Textbook for the syllabus & time tables. (See Appendix A of Instructor's Guide)

TOPIC: USED CAR CASE AND CRITIQUE

OBJECTIVE: Describe important negotiation concepts.

TIME: Monday 8:30 am - 9:30 am

METHOD: Exercise

LESSON PLAN

Ref.

Steps In Presenting The Topic

Instructor Notes

USED CAR CASE AND CRITIQUE

Primary Learning Objective

Condition: Given information regarding the role to be taken in the "Used Car " negotiation, successful agreement regarding the buying or selling of the used car, and debriefing of the "Used Car" negotiation session

Task: Describe important negotiation concepts

Standard: Correctly identify the conditions that define a negotiation, the possible outcomes, and the factors that will lead to success



a. **The following steps** should be followed in conducting the Used Car case classroom exercise.

1. Assign each student the role of either a Buyer or Seller.

For example, "You are Buyer #1. You are Seller #1. You are Buyer #2, you are Seller #2... etc."

See exercise handouts in Appendix B.

Pass out the attached handouts entitled "Used Car Individual Case" (Buyer or Seller, as appropriate) to every student in the class.

2. Match Seller #1 with Buyer #1 and so forth.

Each Buyer or Seller will negotiate with their counterpart with the same number.

3. Note that all and Sellers have the same information about their respective positions.

In other words, Buyer #1 has the same information as Buyer #2, etc. Seller #1 has the same information as Seller #2, etc.

TOPIC: USED CAR CASE AND CRITIQUE

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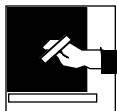
Ref.	Steps In Presenting The Topic	Instructor Notes
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- Before beginning the actual negotiations, be sure the two questions at the end of the handout are answered by asking the students if they have answered the questions. **Do not start the negotiations until all students have indicated they have answered the questions.**

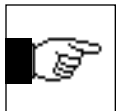
The handout forms may be written on, if necessary.

- Give about 5 minutes to read and prepare the case; 8-10 minutes to negotiate.
- Conduct all negotiations simultaneously in the classroom. Have the students turn around or move their chairs to comfortably negotiate with their counterpart.
- When each negotiation is concluded, the students should raise their hands so the instructor knows they are finished.

Each pair is should exchange handouts with the other side. (Finished groups may then talk--in a low voice so as not to distract the others who may still be negotiating.)



- Once all negotiations conclude, have each team give their statistics to you, then complete the following matrix on the board.



(NOTE: The matrix is not put on the board or started until all negotiations have finished.)

Team	1	2	3	4	5	6	7	8	9	10	11	12
Outcome												
Seller Max												
Seller Min												
First Offer												
Buyer Max												
Buyer Min												

NOTE: Outcome is the same as selling price of car. All prices should be in thousands, rounded to the nearest tenth to save time and board space. For example, \$15,600 should be shown as "15.6". The lines separating the rows and columns are not necessary, but sometimes helpful in aligning the proper amounts with each other.

TOPIC: USED CAR CASE AND CRITIQUE

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9. First each Seller says what the outcome (agreed upon price) is and the responses to the two questions the Seller answered prior to the start of the negotiations.

"Seller max" is the most the Seller felt the car could be sold for, and "Seller min" is the lowest price the Seller wanted to sell the car for.

10. Each Buyer then tells his/her first offer or opening bid and his/her responses to the two questions each Buyer answered prior to the start of the negotiations.

"Buyer max" is the most the Buyer felt he/she would pay for car for and "Buyer min" is the lowest price the Buyer thought the car could be purchased for.

11. The outcome matrix will show the range of outcomes (price agreed to at the conclusion of the negotiation) and the expectations of every Buyer and Seller.

A 30-45 minute analysis of this matrix should show a correlation between the expectations of the negotiators and the eventual selling price (outcome).

USED CAR CRITIQUE

- b. Use the following information as points of discussion.**

(NOTE: The Used Car Case demonstrates important bargaining techniques present in every negotiation which will be presented in the chapter on "Bargaining Techniques".)

- 1. Demonstrate the relationship between expectation level and outcome.**

The completed matrix should allow you to demonstrate a correlation between the best outcomes and the expectation level of the individual negotiators. This relationship is consistent with *Rule One* (Aim High) which will be covered in the lecture on "Bargaining Techniques." However, this case is conducted before the lecture to establish a framework for learning.

The expectation level generally relates to the Buyer and Sellers minimum and maximum positions. The expectation level is the same as an individual's aspiration level. The Sellers with the



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highest expectations are those Sellers with highest maximum position, or said in another way, those Sellers who believed prior to the negotiation that they could get the highest prices for their vehicle. Conversely, Buyers with the highest expectation level are those Buyers who felt they could obtain the car for the least amount of money or as little as possible. These Buyers will have the lowest maximum and minimum prices.

2. Emphasize the outcomes most favorable to the Seller.

The highest prices paid for the car or the outcome most favorable to the Seller will often result from Sellers expecting to sell for the most money (high expectation level) or Buyers willing to pay the most (low Buyer expectation level) or both.

3. Emphasize the outcomes most favorable to the Buyer.

The lowest prices paid for the car or the outcomes most favorable to the Buyers should be closely related to those Buyers willing to pay the least (high Buyer expectation level) or counterpart Sellers expecting to sell the car for the least amount of money (low Seller expectation level) or both.

4. Explain the importance of favorable assumptions.

Knowing high expectations are important is easy. However, the real answer is understanding how high expectations are attained. **The key to good expectations is to make good assumptions about your bargaining position.** Make negotiations that favor your position.

For example, a good assumption about "blue book" values of cars for Sellers is the assumption that your car will sell for greater than the blue book value. After all, the book values are only a composite of an average price that was attained by having some cars sell lower and some sell higher than the average. By assuming you can get a higher amount, you make a positive assumption and assume that your car is good enough to sell for more than the blue book average.

Conversely, Sellers with low expectations will generally make unfavorable assumptions about their position which causes them to expect lower prices. For example, a Seller believing the blue book price is the highest amount that could be obtained for a used car is making a poor or unfavorable assumption. **Unfavorable**

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assumptions on bargaining positions lead to low expectation levels.

5. Demonstrate the strong correlation between the Buyer's first offer or counteroffer and the probability of Buyers obtaining their minimum price position.

Buyers who bid sufficiently below their minimum position have a greater likelihood of getting the car at their minimum price than those Buyers who bid close to or at their minimum. This correlation will demonstrate the validity of *Rule 2* (Give Yourself Room to Compromise).

Some Buyers will, in fact, have an initial offer that is higher than the minimum price they believed they could purchase the car for. This exercise will show that, when this is the case, the outcome will always be greater than the Buyer minimum price. And consequently, the Buyer will have no chance of obtaining the car at the high end of the Buyer's expectation level (Buyer minimum) when the opening offer is above the Buyer minimum. Those Buyers who bid low enough to allow themselves to make concessions and still obtain their minimum price will generally have better outcomes than the Buyers who did not give themselves room to negotiate.

6. Discuss the concept of unknown pressures facing the other side.

Neither side knows the pressures facing the other side. In this case, the Seller has much more pressure than the Buyer because the car is going to be repossessed by the bank the day after negotiations. In contrast, the Buyer has a week to purchase a used vehicle (and the vehicle need not be a Ford). Yet, the outcomes generally tend to favor the Sellers even though there is more pressure on the Sellers.

In this case, Buyers tend to feel a great deal of pressure because in the absence of information on the other side negotiators tend to put too much pressure on themselves. Consequently, this should demonstrate the importance of *Rule 3* (Do Not Volunteer Weaknesses) and remind students to keep quiet about weaknesses in their bargaining position. In the absence of information to the contrary, the other side will generally perceive strength in your position. In addition, remembering that unknown pressures always exist on the other side will help students remember *Rule 6* (Put the Pressure on the Other Side).

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	Buyers also have a tendency to spend whatever funding is available. In this case, most outcomes would probably be different with a lower selling price if the buyers had less money to spend. For example, the selling price would be lower if the buyers had only \$15,000 in the bank instead of the \$16,000 given in the case.	
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MORNING BREAK (15-20 minutes)

TOPIC: INTRODUCTION TO NEGOTIATIONS
(CHAPTER 1)

OBJECTIVE: Describe general negotiation concepts.

TIME: Monday 9:50 am - 10:30 am

METHOD: Lecture

LESSON PLAN

Ref.

Steps In Presenting The Topic

Instructor Notes

INTRODUCTION TO NEGOTIATIONS (CHAPTER 1)

Primary Learning Objective

Condition: Given the text book

Task: Describe general negotiation concepts.

Standard: To apply concepts in student negotiations to pass a test.

a. Present definition of negotiation.

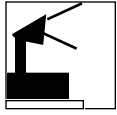
The FAR states that negotiation means:

"contracting through the use of either competitive or other-than-competitive proposals and [conducting] discussions. Any contract awarded without using sealed bidding procedures is a negotiated contract."

FAR 15.102 further describes negotiation:

TOPIC: Introduction to Negotiations

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Ref.**Steps In Presenting The Topic****Instructor Notes**

1-5

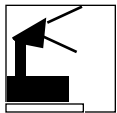
Negotiation Means Bargaining

"as a procedure that includes the receipt of proposals from offerors, permits bargaining, and usually affords offerors an opportunity to revise their offerors before award of contract. Bargaining --in the sense of discussion, persuasion, alteration of initial assumptions and positions, and give-and-take -- may apply to price, schedule, technical requirements, type of contract, or other terms of a proposed contract."

FAR 15.102

Text 1.1, page 3

The key word in these definitions is "bargaining." The FAR anticipates that bargaining will occur in competitive as well as "other-than-competitive" negotiations. The FAR and the Comptroller General have prescribed special rules for bargaining in a "competitive" environment, which will be covered in Chapter 8.

b. Explain "special relationship".


1-6

Negotiation Concept

- Negotiation is a process of communication whereby both parties attempt to reach a mutually satisfactory agreement on a matter of common concern.
- Special relationship exists because each side has something the other side desires
- Behavioral science not to be confused with "Dictation"
- "You have to give to get"

Section 1.1

Point out that in the negotiation process, **both parties are dependent on each other** and yet have opposing views. **(Note: Because of the inter-dependency of both parties on each other, avoid terms which signify an adversarial**

TOPIC: Introduction to Negotiations

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relationship, such as, adversary, opponent, or opposition. These terms are not used anywhere in the text or instructor guide.)


- c. Clarify distinction between negotiation and dictation in that negotiation involves compromise (i.e., "You have to give to get.")
- d. Identify factors associated with successful negotiation.



1-7

Negotiation Success Factors

- The peculiar circumstances surrounding each negotiation
- Bargaining skills of the negotiators
- Motivation and fairness of each party
- Willingness to make concessions



Text 1.1, p. 5-6

Stress the importance of bargaining skill in determining negotiation success.

TOPIC: Introduction to Negotiations

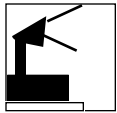
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- e. **Introduce the three possible outcomes to every negotiation and the levels of trust and satisfaction that characterize such outcomes.**



1-8

Possible Negotiation Outcomes

- Win/Lose Outcomes
- Win/Win Outcomes
- Lose/Lose Outcomes

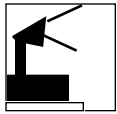
Text 1.2, p. 7

TOPIC: Introduction to Negotiations

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Win/lose styles can often be easily recognized because win/lose negotiators:



1-9

<p>Win/Lose Outcomes</p> <ul style="list-style-type: none"> • Highly competitive negotiations • Mistrust and gamesmanship • One party appears to do much better • Additional business unlikely <p><small>Text 1.2, p. 7</small></p>	
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- Tend to be highly competitive and mistrustful of the other side.
- Are generally argumentative.
- Tend to focus on areas of disagreement.
- Are reluctant to make any meaningful concessions.
- Are prone to deceptive behavior.
- Resort to win/lose tactics and "gamesmanship" during the bargaining session.

Compared to win/lose negotiators, negotiators exhibiting win/win styles are:

- Far more cooperative and trusting of the other side.
- Are more likely to make concessions when it is in the mutual interest.
- More respectful of the other side.
- More likely to seek agreement rather than to prove they are right and win arguments.
- Less likely to rely on deceptive behavior.

TOPIC: Introduction to Negotiations

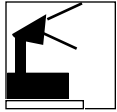
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Discuss win/win outcomes:



1-10

Win/Win Outcomes

- Greater trust and less competition
- Both parties achieve long term satisfaction
- Preferred FAR outcome
- Better results and lasting relationships

Text1.2,8

In win/win outcomes, both sides achieve long-term satisfaction because each party feels that its side "won" and the "victory" was not at the expense of the other side.

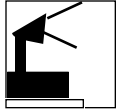
The Federal Acquisition Regulation (FAR) requires government contracting officials to obtain a price that is fair and reasonable to both sides. The government has a vested interest in the long-term success and survival of government contractors. Win/win negotiating enhances competition by encouraging more firms to do business with the government, thus increasing competition and quality while reducing contract costs. Moreover, well-stocked base of good-quality suppliers and vendors providing goods and services at reasonable prices is essential to the operations of the federal government.

TOPIC: Introduction to Negotiations

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Discuss lose/lose outcomes:



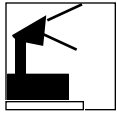
1-11

Lose/Lose Outcomes

- Permanent impasse or deadlock
- Big loss for both sides
- Government loses unique product or service
- Contractor loses contribution income

Text 1.2, p.8-9

In a lose/lose outcome, or deadlock, both sides suffer a considerable loss. The contractor loses profit projected on the lost contract. In addition, the fixed costs associated with the contract must be absorbed by other business or contracts of the firm, thus potentially reducing company profit. (NOTE: fixed costs and profit associated with the contract are known as contribution income.) In addition to the loss of contribution income, the contractor will not receive the direct costs that would have been associated with the contract which often results in layoffs.

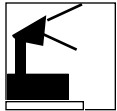
TOPIC: Introduction to Negotiations**LESSON PLAN****Ref.****Steps In Presenting The Topic****Instructor Notes****Discuss importance of perception:**

1-12

Importance of Perception	
	<ul style="list-style-type: none"> • Win/Win or Win/Lose determined by perception • Outcome type in "Eyes of the beholder" • Perception more important than actual contract dollar amounts
	Text 1.2, p.9

Except for lose/lose outcomes, the perception of the result by each side determines whether an outcome is win/win or win/lose. For example, a \$100,000 contract price could be considered a win/win or a win/lose outcome depending on how the contractor views that price. Because the government should strive for win/win results, the perception of the contractor becomes paramount.

Because perception is so significant in determining negotiation outcomes, negotiation style assumes utmost importance. Regardless of the contract price, the contractor is more likely to perceive win/win outcomes when the government exhibits win/win behavior. Consequently, government negotiators should exercise great care in exhibiting the appropriate attitude or manner when negotiating.

TOPIC: Introduction to Negotiations**LESSON PLAN****Ref.****Steps In Presenting The Topic****Instructor Notes****Discuss negotiation style:**

1-13

Negotiation Styles

- Primary influence on perception of outcome
- Win/Lose styles likely result in win/lose outcomes
- Win/Win outcomes more likely with win/win styles

Text 1.2, p.9

Negotiation styles cover a wide range or spectrum because the behavior of negotiators is rarely either purely win/win or win/lose. The illustration below shows the two negotiation styles at each end. The spectrum of styles ranges from 100 percent win/win to 100 percent win/lose; the majority of negotiation styles fall somewhere between the two extremes.

Since the type of outcome is determined by the perception of the other side, there is no definitive point on the spectrum of styles that can separate win/win from win/lose outcomes. While the proportion of win/win behavior needed to produce win/win outcomes varies by negotiation and can never be known, the probability of a win/win outcome increases in proportion to the win/win behavior exhibited during the bargaining session. Conversely, the more win/lose behavior is used, the greater the likelihood of either win/lose or lose/lose outcomes.

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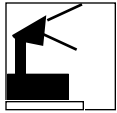
LESSON PLAN

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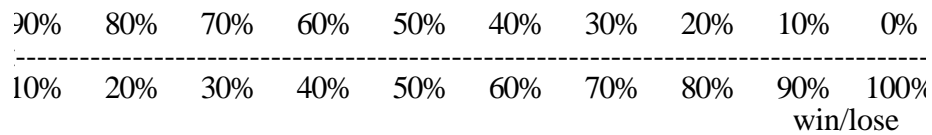
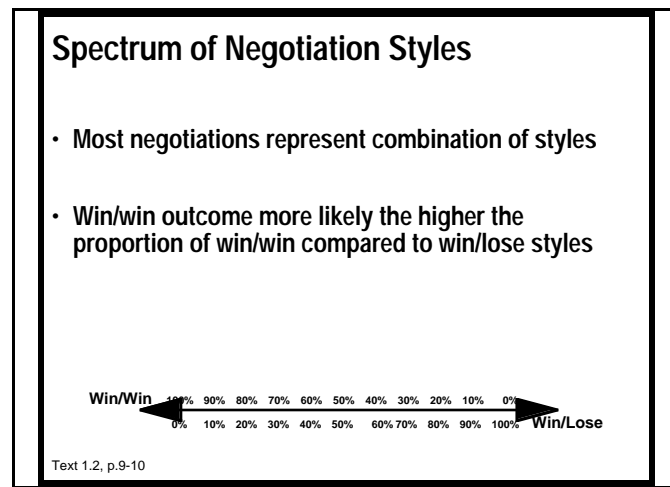
Steps In Presenting The Topic

Instructor Notes

Discuss spectrum of negotiation styles:

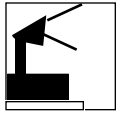


1-14



TOPIC: Introduction to Negotiations**LESSON PLAN****Ref.****Steps In Presenting The Topic****Instructor Notes**

f. Highlight specific differences between win/win and win/lose styles.



1-15

Comparison of Negotiation Styles

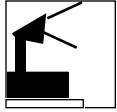
	Win/Win	Win/Lose
Goal	Obtain a deal acceptable to both sides, including a fair and reasonable price	Obtain a best possible deal for your side regardless of consequences to the other side
Focus	Solve mutual problems	Defeat the other party
Environment	Cooperation and trust	Mistrust and gamesmanship
Negotiation Characteristics	<ul style="list-style-type: none"> • Resolve conflict • Obtain both short and long-term satisfaction • Establish cordial relations • Combine sincere efforts to satisfy the other side and solve problems 	<ul style="list-style-type: none"> • Make extreme initial demands • Use deceptive ploys • Make stingy or no concessions • Attempt to win arguments instead of agreements

Text 1.2, p.11

The win/lose outcome is characterized in the framework where one side must lose for the other side to win. This type of negotiation tends to be highly competitive, with a large degree of mistrust on both sides.

In a "monopsony" situation the government is the only buyer. Therefore, it could achieve short term wins to the detriment of contractors by dictating contract terms. Win/lose outcomes could have negative long-term consequences, for example, suppliers could be forced out of business, or be unwilling to do further business with the government. In addition, there could be greater risk of poor-quality, overpriced deliverables from the remaining suppliers still willing to do business with the government.

	Win/Win	Win/Lose
Negotiation Goal	Obtain a deal acceptable to both sides, including a fair and reasonable price	Obtain a best possible deal for your side regardless of consequences to the other side
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TOPIC: Introduction to Negotiations**LESSON PLAN****Ref.****Steps In Presenting The Topic****Instructor Notes**

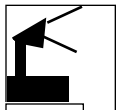
1-16

g. Emphasize the overriding negotiation themes. Elaborate on the meaning and importance of each theme.

Overriding Negotiation Themes

- Think Win/Win
- Sell Your Position
- Win Agreements Instead of Arguments
- Everything is Negotiable
- Make It Happen

Text 1.3, p.12



1-17

Overriding Negotiation Themes

Think Win/Win

- Paramount objective
 - Display win/win attitudes
 - Use win/win styles
 - Avoid bargaining ploys or deceptions

Text 1.3, p.12

Since win/win outcomes are preferred they are a paramount objective in government contract negotiations. Consequently government negotiators should consciously display win/win attitudes and negotiation styles. Most bargaining ploys and negotiation tactics should be avoided because these devices are deceptive in nature and generally give the other side the perception of win/lose negotiation style.

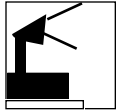
TOPIC: Introduction to Negotiations

LESSON PLAN

Ref.

Steps In Presenting The Topic

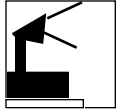
Instructor Notes



1-18

Overriding Negotiation Themes	
<p>Sell Your Position</p> <ul style="list-style-type: none"> • Be persuasive • Be respectful and polite • "Sales" are more likely when customer likes and respects salesperson 	
Text 1.3, p.12	

Negotiators are agents for the government trying to "sell" their positions to the other side. Accordingly, government bargainers should strive to be persuasive while being respectful and polite. In negotiations as in other forms of sales, it is easier to "sell" a product when the prospective customer likes and respects the salesperson.

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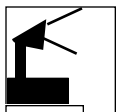
Overriding Negotiation Themes

Win Agreement Instead of Argument

- Arguing is a sign of win/lose negotiators
- Don't win argument and lose sale
- Persuasion depends on both logic and the manner of presentation

Text 1.3, p.12

Negotiators should support their positions by winning *agreements* with the other side. Trying to "win the argument" is too often a sign of a win/lose negotiation. When argumentative behavior characterizes negotiations, one or both sides are likely to perceive a win/lose outcome even when the final agreement could otherwise appear balanced or fair. Remember that persuasion is not only a matter of logic and content, but also significantly depends on the manner of presentation.



1-20

Overriding Negotiation Themes

Everything is Negotiable

- No position is sacred and off limits if it prevents a fair and reasonable settlement
- Use common sense and be open to negotiate all issues

Text 1.3, p.12

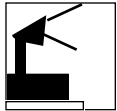
No negotiation position is sacred and off limits if it prevents the more important goal of a fair and reasonable settlement.

TOPIC: Introduction to Negotiations

LESSON PLAN

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Consequently, government negotiators must always be prepared to use common sense and be open to negotiate all issues.



1-21

Overriding Negotiation Themes

Make it Happen

- Be creative and courageous
- As agent for government, you have been entrusted to secure deal
- When agreement benefits outweigh costs

Find a Way!!!!

Text 1.3, p.12

Negotiators as agents for their side are responsible for securing whatever their party needs from the other side by obtaining a negotiated settlement. To reach agreement, negotiators must often display creativity, initiative, and even courage. When the benefits of an agreement outweigh the costs, bargainers must somehow find a way to secure the deal and "make it happen!"

TOPIC: WIN AS MUCH AS YOU CAN EXERCISE

OBJECTIVE: Describe win/win and win/lose negotiation concepts.

TIME: Monday 10:30 am - 11:30 am

METHOD: Lecture

LESSON PLAN

Ref.

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Instructor Notes

"WIN AS MUCH AS YOU CAN" EXERCISE

Primary Learning Objective

Condition: Given team assignments and information of the "Win as Much as You Can" exercise, and successful completion of the exercise.

Task: Describe win/win and win/lose negotiation concepts.

Standard: Correctly identify the advantages of a win/win outcome.

a. The following steps should be followed in conducting the Win/Win classroom exercise.

1. Pass out the handout entitled, "Win As Much As You Can" to every student in the class. Have students refer to Appendix D in the Text book for handout. (see exercise handouts in Appendix C of the Instructor's Guide)



2. Assign eight teams of three students apiece.

Eight teams of 3 to a team will mean that all 24 students are assigned. It is important to have 8 teams so assign some teams fewer than 3 students when the class size is less than 24 students.

3. Assign the teams into two groups --Group A and Group B.

Teams 1 through 4 will be assigned to group A while teams 5 through 8 will be assigned to Group B.

4. Review the rules on the handout.

TOPIC: Win As Much As You Can

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Emphasize the importance of Rule 2--Absolutely No Communications between teams in the same group unless a group conference is scheduled. There is never any communications between members of the different groups.

5. Instruct students to make their individual selections for round 1 by conferring with team partners to reach an agreement on a single team choice for that round. Each of the 8 teams should have selected an "X" or a "Y".

6. Score round 1 by noting the choice of each of four teams from the same group. Use the handout scoring table to determine how much each team won or lost depending on the number of "X" or "Y" selections within their group.

Only compare choices from teams in the same group. Individual team choices in Group A have no bearing on the scoring for Group B and visa versa.

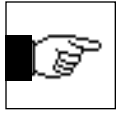
7. Announce the results after the round is over by stating the amount won or lost depending on the team choice of "X" or "Y". But keep individual team choices confidential by not disclosing them to other teams.

Scoring after each round gives the teams the information needed to ponder their selection for the next round.

8. Repeat process after each of the remaining rounds.
9. Allow teams with each group extra time to communicate in conference with each other prior to the selections for rounds 5, 8, and 10.

This communication is facilitated by only having one representative from each team meet for this conference. Since there are three such conferences, it may be a good idea to have each team send a different representative for every conference. Have one conference in the front of the classroom and the other conference in the rear of the room.

10. Score each round by reviewing the choices of each team within each group.

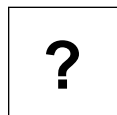
TOPIC: Win As Much As You Can**LESSON PLAN****Ref.****Steps In Presenting The Topic****Instructor Notes****11. Remind students to multiply the total won or lost in the conference rounds (5, 8, and 10) by the bonus multiplier.**

There will be a tendency among many teams to select "X" in the early rounds under the belief that their winnings for their individual team will be maximized. Hopefully, one group will then discover that by cooperating together and agreeing to have all four teams select the "Y" choice results in a win/win outcome of \$1.00 for everyone. Teams that continue to select "X" will (hopefully) soon discover that their team will continue to lose when all teams in their group chose "X". Otherwise, team selecting "X" will win only at the expense of other teams in their group.

b. WIN AS MUCH AS YOU CAN CRITIQUE

1. After the exercise is complete, write the net balance for each team (dollars won or lost) on the board for the entire class to see.
2. Separate each group using the following matrix:

Group A		Group B	
<u>Team</u>	<u>Result</u>	<u>Team</u>	<u>Result</u>
1	\$	5	\$
2	\$	6	\$
3	\$	7	\$
4	\$	8	\$
TOTAL	\$	TOTAL	\$



3. Question teams within each group to discover how the attitude or the degree of cooperation within the group helped or hindered team performance.

Hopefully, the groups with the highest total winnings displayed win/win attitudes. Group-wide results would have been maximized if everyone cooperated (4 "Y" choices). **In this game, as in real life, negotiators who display a "win/win" attitude win as much as possible. Even if a win lose team "wins" more than the maximum amount possible (\$25) for win/win teams, the win/lose team is unlikely to get future business from other teams in their group.**

4. Relate class comments to the results on the matrix.

TOPIC: Win As Much As You Can

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Identify how competition, mistrust, and cultural barriers influence win/lose negotiation outcomes.

Negotiators tend to be win/lose because the American culture is very competitive. Everyday examples of our competitive nature abound. Most sports fans complain about a loss for their teams no matter how well the game was played. Similarly, winning teams are frequently praised regardless of how lucky the team was or how poorly the other team played.

Americans tend to be very competitive. Competition, in turn, often breeds mistrust. In contrast, other cultures are more win/win in spirit. For example, Japanese companies are often more win/win in negotiations with their suppliers (the Japanese culture is more cooperative in nature). In fact, the favorite outcome for a Japanese baseball game is a tie score.

Although the fiercely competitive nature of many Americans accounts for many of the beneficial aspects of our society, such as the large degree of "progress" we enjoy, exhibiting win/lose characteristics in negotiations is generally counterproductive.

Greater success in negotiations is most often achieved by win/win attitudes. Ideally, the case will show that the group mostly displaying win/win characteristics (and selecting "Y" values) won more money overall than the other group.
However, even when both groups are win/lose in orientation, the matrix will show that a win/win attitude would have resulted in more money overall for the entire group.

LUNCH BREAK (1 hour)